

AERO UNION CORPORATION,

Appellant

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**AGBCA Nos. 2005-157-1
2005-158-1**

ORDER OF THE BOARD OF CONTRACT APPEALS

August 9, 2006

Opinion for the Board by Administrative Judge VERGILIO.

On July 25, 2005, the Board received two notices of appeal filed by Aero Union Corporation of Chico, California (contractor). The respondent is the U. S. Department of Agriculture (Government). Under a contract, No. 55-024B-1-2192, with the National Interagency Fire Center, Boise, Idaho, of the U. S. Forest Service, the contractor provided air tanker services to drop fire suppressant/retardant material on fires. The Government terminated the contract for its convenience. The contractor submitted a termination settlement proposal seeking \$6,284,181. The contracting officer approved payment totaling \$3,201,645, and denied the remainder, \$3,082,536. In AGBCA No. 2005-157-1, the contractor seeks the termination for convenience costs disallowed by the Government.

Subsequent to the termination for convenience, the Government awarded to this contractor a contract, No. 55-024B-4-1463, based upon rates negotiated while the Government was considering the termination settlement proposal. Under the contract, the contractor provided air tanker services. The contractor submitted a claim to the contracting officer seeking \$816,840 in rate adjustments said

to be required because of the assumptions of the parties in negotiating the rates of this contract. The contracting officer denied the claim. In AGBCA No. 2005-158-1, the contractor seeks to recover for its rate increases that were fully disallowed by the contracting officer. The contractor notes that with the two cases it is not seeking double compensation of any costs incurred.

The Board has jurisdiction over these timely-filed appeals pursuant to the Contract Disputes Act of 1978 (CDA), 41 U.S.C. §§ 601-613, as amended. The appeal files, complaints, and answers were filed and served. The parties engaged in discovery. In this process, the parties successfully resolved these disputes.

On August 8, 2006, the Board received a letter from the Government stating that these disputes have been resolved pursuant to a settlement agreement and general release. Payment has been received in accordance with a contract modification. The parties jointly request that these matters be dismissed with prejudice.

DECISION

In accordance with the request of the parties, these matters are dismissed with prejudice.

JOSEPH A. VERGILIO
Administrative Judge

Issued at Washington, D.C.
August 9, 2006